



**Making Public Private RELATIONSHIPS
Work For Your Recycling Program**

History

- ▶ Ground Up Recycling
- ▶ Collects and processes shingles
 - ▶ Founded in 2013 as a Tennessee based Shingle Recycling Company
 - ▶ Four Locations
 - ▶ Cookeville
 - ▶ Murfreesboro
 - ▶ Mt. Juliet
 - ▶ Lebanon

Project Highlight

- ▶ Ground Up Recycling- Murfreesboro, TN a partnership with Rutherford County

ROLES OF PARTNERSHIP FOR RUTHERFORD COUNTY PROJECT

Ground Up

- Provided fliers, signage, and coupons to landfill to distribute to roofing contractors.
- Provide monthly and year reporting on tonnage collected and recycled.
- No monetary exchange
- Guarantee Tipping Rate Pricing

Rutherford County Solid Waste

- Allowed signage, trained landfill staff on procedure to divert shingles.
- Conducted a financial survey to determine benefit of shingle diversion.

Project Results

Rutherford County

Shingles accounted for approximately 1/3 of tipping fee tonnage

Shingle Recycling saved 2-3 years of landfill space accounting for Millions in County savings.

Reduction in equipment cost and maintenance cost at landfill. Shingles are hard to break down requiring longer labor hours and increased maintenance due to wear.

Ground Up

Recycled 5,000 tons in 2015 out of Rutherford County and 14,000 tons total.

Project Results- Mac Nolen Quote:

- ▶ “In our market area, landfill disposal cost and shingle recycling cost are the same for the customers. There was a little training/learning curve for the customers to get accustomed to separating their shingles from other construction debris, but that curve was achieved fairly quickly. **This worked because our landfill and Ground Up were determined to make it work.** Our P3 works because both parties were/are committed to making it work for the betterment of both parties and the customers. We entered the P3 with a good business plan for both and great communications. Even the training/learning curve was part of the implementation plan.”

City Of Lebanon Project Highlight

- ▶ City of Lebanon purchased a waste-to-energy facility from PHG Energy.
 - ▶ Unit will consume 32-64 tons of waste daily
 - ▶ Facility is located at the cities wastewater treatment plant and will offset the power consumption of the plant.

Project Team

- ▶ City Of Lebanon
 - ▶ Operate facility
 - ▶ Waste Hauling
- ▶ PHG
 - ▶ Provide equipment
 - ▶ Set up plant for operations
- ▶ Ground Up Recycling
 - ▶ Collect and process feedstock materials
 - ▶ House materials until used in plant

Why a Public/Private with Ground Up

► Problem

- Feedstock sizing and grinding processing
- Financial cost associated with processing
 - Grinder, Screen, collection infrastructure
 - Operational staff, additional liability, setting up an entire business.

Partnership Set Up

- ▶ Ground Up
 - ▶ Provided Land
 - ▶ Equipment
 - ▶ Staff and Expertise
 - ▶ Processing
 - ▶ Collection and collection infrastructure
 - ▶ Ground Up loads processed materials in the cities trailer which is transported to the plant

Partnership Set Up

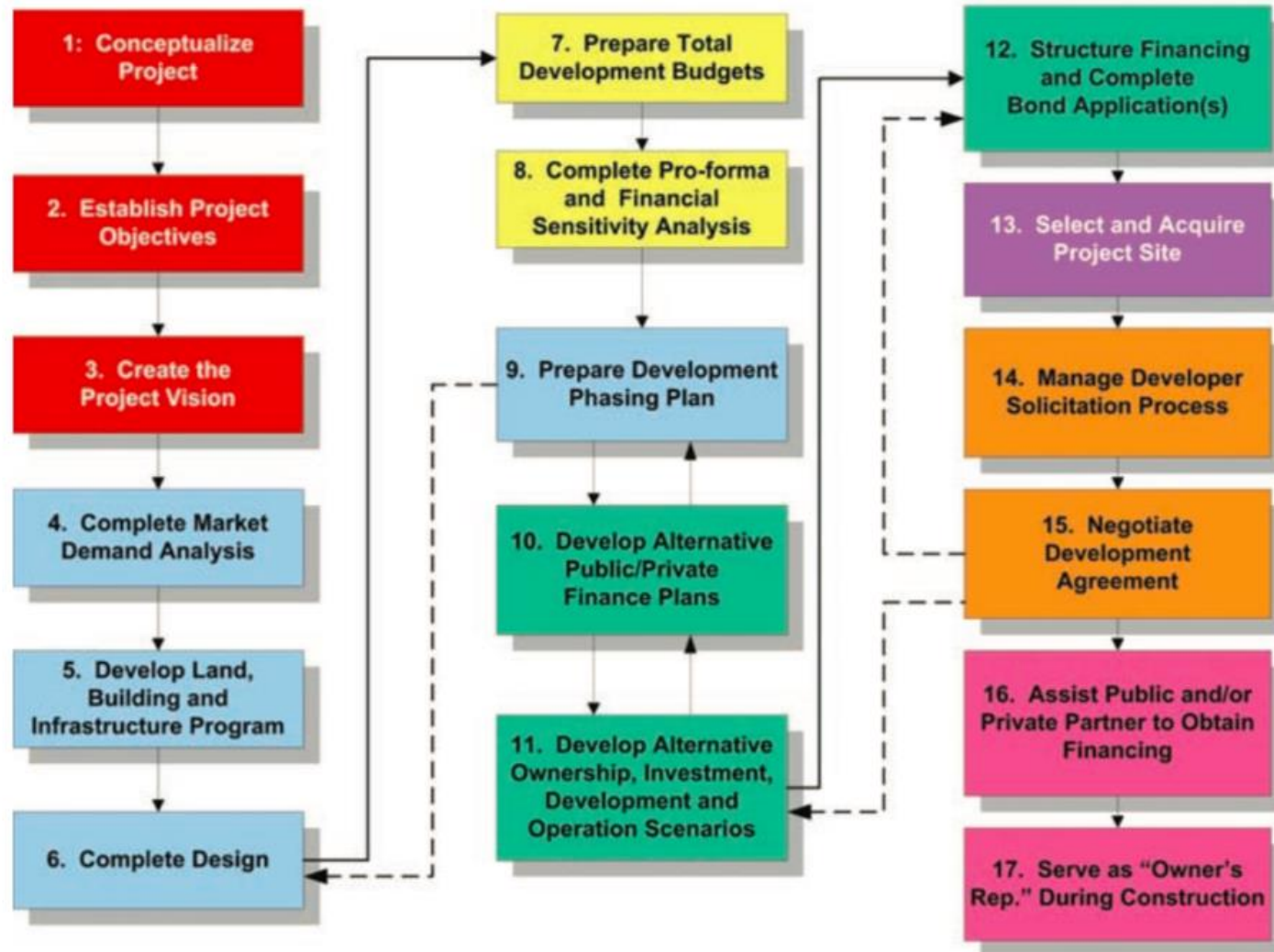
- ▶ City Of Lebanon
 - ▶ City gets a portion of the Tipping Fees collected from GU
 - ▶ City has started a roll off hauling service for local industries.
 - ▶ City reduces the start up cost significantly and doesn't have to worry about anything besides the energy plant operations.
 - ▶ This P3 allows the City to meet and exceed financial goals of waste to energy

10 Keys to a successful P3

1. Prepare

- ▶ Public Sector is the driver.
 - ▶ As the Driver they should assess their capacity to act as a partner and establish a team.
 - ▶ Expert
 - ▶ Decision Maker
 - ▶ Counsel
 - ▶ Lawyer or Consultant
- ▶ Develop financial and objective goals in house before you involve others

1. Prepare



1. Prepare

- ▶ Prepare with a plan but plan to be flexible.
 - ▶ Once the Private sector is brought to the table be open and flexible.
 - ▶ Private sector may have beneficial resources that the Public can not utilize.

2. Create a Shared Vision

- ▶ Communicate, Communicate, Communicate
- ▶ Make sure everyone on board knows the objective of the project

3. Understand Your Partners

- ▶ Partnerships should be treated like Relationships.
 - ▶ Get to know each other, work together and be flexible.
- ▶ Develop the Team



4. Be clear on the Risks and Rewards

- ▶ Have we said communicate yet? Communicate
- ▶ This is a good phase to write out a MOU, Business Plan, Operational Flow Chart, and define the roles of each member.
- ▶ Significant obstacles must be overcome and challenges met through joint efforts because the resources and responsibilities are distributed differently between the sectors, particularly during project implementation

5. Establish a Clear and Rational Decision-Making Process

- ▶ Plan for the worst, expect the best
- ▶ Agreements should be written as if they were about to end.
 - ▶ Create a Road Map
 - ▶ Define Roles
 - ▶ Create Checks and Balances

6. Do Your Homework

- ▶ P3's take time, energy, and resources.
 - ▶ There are not many one and done meetings in the world of P3'S
 - ▶ Share Information with one another
 - ▶ Do not try to capitalize at the expense of the other.
- ▶ Investigate Loan and financing options, grants, and funding resources.

7. Secure Consistent and Coordinated Leadership

- ▶ P3'S may have a vision established on the upper level, implimentation should be done on the professional level.
 - ▶ Get a point man that all teams go to for coordinated leadership
- ▶ The Vision caster may or may not be the coordinated leader.
 - ▶ Many P3's go idle in the “construction phase” due to tired and worn out visioneers who do not have the time or skills to lead to successful execution.

8. Communicate Often

- ▶ Have I said Communicate yet? Communicate
 - ▶ The more open the communication channels, the greater the prospect for a successful project outcome and lasting P3
- ▶ Internal and External Communication
 - ▶ Involve the community, patrons, and shareholders.

9. Negotiate a Fair Deal Structure

- ▶ Notice: Price is at the bottom of the list.
 - ▶ Be careful to negotiate price too early.
 - ▶ Price and cost will change as the project takes a life of its own.
- ▶ Be Fair: P3's are ever changing and cannot anticipate all future changes, fairness will often remain an elusive goal.
- ▶ All parties should be reasonably satisfied
- ▶ FIND THE WIN-WIN

9. Negotiate a Fair Deal Structure

- ▶ Teams should spend sufficient time preparing or reviewing a detailed term sheet.
- ▶ Do not let legal counsel or the documentation process drive the outcome.
 - ▶ Understand the risks and shared vision. See the process through the negotiation phase, do not turn it over without supervision.
- ▶ Set and build objectives measures for expected outcomes
- ▶ Understand the long term nature of the deal
- ▶ Compromise for achieving fairness

10. TRUST is the core value

- ▶ How do you chose the right partner?
- ▶ Build Trust
 - ▶ RFQ- Request for Qualifications
 - ▶ RFP what is needed and not what is not.
 - ▶ RFP's can be difficult in P3's. Partners should be considered on several factors including but not limited to price of service.
- ▶ Maintain Trust
 - ▶ Fulfillment of Responsibilities

ANY QUESTIONS?

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